

## Justification for Other than Full and Open Competition

### 1. Brief Description of the Requirement:

- This requirement involves entering into a contract with the Economist Intelligence Unit (EIU) to conduct a benchmarking assessment of the enabling environment for and government capacity to conduct public-private partnerships (PPPs) – a so-called “Infrascope” assessment – in eight MCC partner countries of MCC’s choosing. The Infrascope assessment would be done according to the EIU’s proprietary analytical methodology and benchmarking process. The **objectives** of the requirement are as follows: (1) expand the universe of countries covered in the benchmark to make the benchmark more robust as a global public good and knowledge product; (2) increase MCC’s public profile in the PPP space by being able to place its logo on the Infrascope assessment along with the words “commissioned by MCC”, thus allowing MCC to co-brand the Infrascope assessment along with other multilateral development banks as noted further below; and (3) obtain country-level insights into the PPP enabling environment in MCC partners countries. In addition to FIT, CPA was enthusiastic about the benefits of fulfilling this requirement.
- In the past, EIU has produced Infrascope reports on a regional basis. Each regional Infrascope in the past was commissioned as follows: the World Bank and the Public-Private Infrastructure Advisory Facility (PPIAF) commissioned the Africa Infrascope in 2015; the Inter-American Development Bank and Multilateral Investment Fund commissioned the one covering Latin America and the Caribbean (LAC) in 2014; the Asian Development Bank commissioned the one for Asia in 2014; and the European Bank for Reconstruction and Development commissioned the Infrascope covering Eastern Europe and the Commonwealth of Independent States in 2012. The reports noted which institution commissioned the work, and sometimes carried the logo of the respective institutions. Those regional Infrascope reports have covered a total of 80 countries. EIU is now looking to update the regional reports, and to combine them into a digital platform on a global basis. MCC’s contributions would allow the Infrascope updates and the global benchmark to have a wider country coverage. The more countries covered, the greater the utility of the benchmark (similar to the Indicators that MCC uses for country eligibility).
- The new Infrascope would be produced as a knowledge product serving a public good; it would be available without charge to policymakers, governments, civil society, educational institutions and any other stakeholders or interested parties. In addition to appearing on the websites on the development organizations, the report and benchmarking model would also be featured on the EIU’s online portals.
- The global community and MCC could benefit from a broader country coverage of Infrascope for benchmarking purposes. The World Bank reports that they are using Infrascope for reporting on metrics related to the Sustainable Development Goals. The Public-Private Infrastructure Facility ([www.ppiaf.org](http://www.ppiaf.org)) is using Infrascope as a source of data for its Results Framework. Governments can use the information from Infrascope to help develop their own PPP programs, and to assist in dialogue with donors and investors.
- MCC investments related to PPPs could similarly benefit, particularly where there is no current country coverage. Indeed, FIT has proposed that MCC’s Central America PPP programs

(involving El Salvador, Honduras, and Guatemala) use Infrascopes for some program-related metrics for their M&E Plans. While, these Central American countries are already covered by the current version of Infrascopes, as noted above, the broader the global coverage of Infrascopes, the more robust the index is for benchmarking purposes.

**2. Nature and Address of Proposed Supplier:**

**Name:**

**Address:** 77 K St. NE, Washington, DC 20002

**Telephone:**

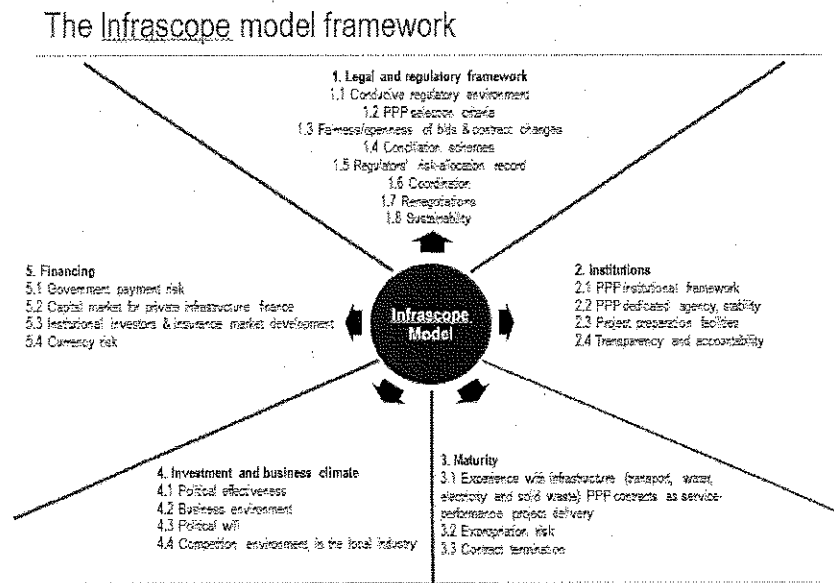
**Fax:**

**Email:**

**3. Justification:**

*Pursuant to 41 U.S.C. 253 (c) (1), FAR 6.302-1, Only one Responsible Source and No Other Supplies or Services will Satisfy Agency Requirements because:*

- MCC is not aware of any similar benchmarks similar to Infrascopes that provide as broad a coverage of cross-country comparison of countries' enabling frameworks and readiness to conduct PPPs as Infrascopes, based on an Internet search and based on input from the World Bank's PPP Cross-Cutting Solutions Area. In essence, Infrascopes can be considered the PPP analogy to the World Bank's "Doing Business" benchmark (<http://www.doingbusiness.org/>), which provides cross-country comparisons and rankings of countries' performance on regulations that affect business, and which has become a globally recognized knowledge product. It appears, therefore, that Infrascopes is the only product that meets MCC's requirements and multiple objectives, for which the EIU is uniquely capable of delivering. Accordingly, collaboration with EIU would be prudent for MCC and global community.
- The EIU has recently updated its methodology and framework for conducting the Infrascopes assessments in consultation with various multilateral development banks. MCC will, in turn, benefit from this new methodology as well. With the various multilateral development banks agreeing to the methodology used by EIU, there is a common standard for the benchmark, and MCC, would, accordingly, become part of the donor group associated with the commissioning of the Infrascopes framework. EIU's new methodology looks at countries' enabling environment and readiness to transact PPPs by analyzing five key areas and sub-areas – (i) legal/regulatory framework; (ii) institutions; (iii) maturity; (iv) investment and business climate); and (v) financing – as summarized in the diagram below:



- In conducting its research, MCC did Google searches on “benchmarking public-private partnerships” and “readiness for PPPs”. MCC also visited the PPP Knowledge Lab (<https://pppknowledgelab.org/>), a curated resource for information related to PPPs with support from various multilateral institutions. The PPP Knowledge Lab has two entries related to “PPP Readiness”, which includes the EIU Infrascopes and the World Bank’s Benchmarking Public-Private Partnerships Procurement 2017 (<https://pppknowledgelab.org/data>).
- The World Bank’s Benchmarking Public-Private Partnerships Procurement 2017 has a much more limited focus compared with the EIU Infrascopes benchmark, which covers numerous aspects of countries’ PPP enabling frameworks and readiness. Benchmarking Public-Private Partnerships Procurement 2017 complements the Infrascopes as it more narrowly focuses on the PPP procurement cycle and allows countries to see where they are relative to some very precise aspects of PPP procurement.
- While other sorts of toolkits and diagnostics exist that can enable governments and practitioners to prepare for PPPs, MCC is not aware of anything similar to Infrascopes in terms of providing a benchmarking tool that enables cross-country comparisons and rankings of countries’ overall enabling frameworks and readiness for PPPs.
- The World Bank has also produced a tool called “Country Readiness Diagnostic for Public-Private Partnerships” (<http://www.worldbank.org/en/topic/publicprivatepartnerships/brief/ppp-tools>).
  - This tool is oriented to potential task team leaders at the World Bank who may be structuring PPP strategies and programs as well as for potential investors. This tool is not comparable to Infrascopes. The Country PPP Readiness Diagnostic Tool assesses a country’s readiness to implement PPPs by reviewing the PPP environment and comparing it to global best practice standards to determine areas that require change or improvement. The areas under review include PPP experience; stakeholder support and

ownership; legislative and regulatory framework; institutional framework; government support and managing fiscal risk; access to finance; and transparency and accountability. Defining an approach to addressing the areas that require attention depends on country circumstances and the relative importance of each area. There are three phases: (i) desktop preparation; (ii) on-site due diligence; and (iii) strategy definition. Each phase is structured around a set of key questions, known as due diligence checklists. This process culminates in the development of a customized PPP strategy for the country.

- There are a variety of PPP diagnostic tools that government can use to enable a self-assessment of their readiness and ability to develop PPPs. These include: (1) the United Nations Economic Commission for Europe's (UNECE) PPP Readiness Assessment ([http://www.unece.org/fileadmin/DAM/ceci/documents/2011/ppp/eArticles4/20.2\\_UNECE\\_National\\_PPP\\_readiness\\_self-assessment\\_english.pdf](http://www.unece.org/fileadmin/DAM/ceci/documents/2011/ppp/eArticles4/20.2_UNECE_National_PPP_readiness_self-assessment_english.pdf)); and (2) the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), PPP Readiness Assessment tool <http://www.unescap.org/sites/default/files/ESCAP%20PPP%20Readiness%20Tool.pdf>. However, these tools do not enable cross-country benchmarking, which can be useful to users for comparing relative country performance. For governments, this can allow them to focus on areas where they may be underperforming compared with their peers and thus in need of strengthening. For potential investors, the cross-country comparisons may be helpful in terms of market analysis and entry, and for targeting investments.
  - The aim of the UNESCAP PPP-Readiness Self-Assessment is to provide a diagnostic tool for identifying the key areas that governments need to address in order to involve the private sector more actively in the infrastructure development process. The key function of the assessment is that it is to be used to diagnose problems in attracting private investment for infrastructure development as distinct from using it to develop benchmarks against which different sectors or countries could be compared. The intention of the assessment is that it is a questionnaire in which all the questions could be answered by small informed groups that have understanding of the investment environment in a country in half a day. Ideally, the groups should comprise of stakeholders with common interests. For example, a public sector group and a private sector group. Having filled out the questionnaire, the groups can discuss the commonality and difference in their perceptions of the PPP environment. Based on their assessment, action plans can be prepared afterwards.
- A key part of the sole source justification is based on the proprietary research methodology used by EIU and the objective of creating a standard process for benchmarking purposes, which relies on EIU's being able to maintain a uniform approach and quality control.
- As the publisher and research organization for all previous editions of the Infrascope, the EIU is best positioned to carry out this new assignment for MCC, and to combine the regional assessments into a global knowledge product. EIU's prior experience with this and other indices will allow it to ensure quality, preserve consistency and comparability from year-to-year, and work in a cost-efficient manner.

- The updated Infrascopes would leverage the skills, experience and lessons learned by EIU during the previous Infrascopes projects.
- The new Infrascopes would have, for the first time, a dedicated digital platform to showcase the results, in the form of maps, charts, graphs and other interactive features that would increase access to, and understanding of, the Infrascopes and its findings.
- A multi-institution approach to the Infrascopes would be less expensive to produce, because the development banks and other contributors, including MCC, could share costs on some common research tasks, such as construction of a digital platform that would showcase the results.
- EIU will collaborate closely with the MCC on the research program, but the EIU will have final editorial control of all aspects of the project, including constructing the model, scoring the indicators and writing the paper. EIU will work with MCC to distribute the final report to a wide group of stakeholders.

4. **Competition:** Description of efforts made to ensure maximum competition practicable, and actions taken to overcome barriers to future competition:

- In an effort to provide for competition, MCC inquired with EIU about the following: "If MCC were to do a competitive solicitation for consultants to do the relevant analytical work to support an Infrascopes assessment for MCC partner countries and we were to make those eventual deliverables available to EIU, could you use this in preparing the larger Infrascopes benchmarks?" EIU's response was:

"Countries evaluated by another consultant could not be included in the larger Infrascopes project, nor would they be included in the web platform where the results for all countries would be displayed. EIU could not be assured of the consistency or quality of another consultant's work, especially in applying a framework methodology that EIU had developed. Moreover, The Economist Intelligence Unit is the intellectual property owner of the proprietary Infrascopes methodology, so no other consultant can replicate the EIU's approach; therefore, no comparison between existing countries and newly-covered countries would be possible unless the EIU carried out all of the evaluation work. Finally, EIU, as a matter of policy, also exercises editorial control over any product that bears our name, and we would not have this for work created by another consultant."
- With respect to cost, MCC inquired with EIU about the following: "If we were to proceed with a sole sourcing, could we benefit from the same pricing structure for the country-based Infrascopes assessments that EIU has used with the other MDBs? EIU's response was:

"Yes, we would offer the same pricing structure to MCC as we provide to the multilateral development banks. A sole-source award would minimize the investment by a new funding organization like the MCC. Since the Infrascopes' methodology already exists, the MCC would not have to invest in related upfront costs. Additionally, the EIU has produced eight versions of the Infrascopes since 2009 and has developed economies of scale that allow it to operate efficiently and at lower cost than another consultant that would be developing a new framework for the first time. We are prepared to extend these efficiencies to the MCC."

5. **Market Research:** Describe the actions taken to identify other potential sources, the results of that investigation, or a statement of the reason market research was not conducted. [

6. MCC is not aware of any similar benchmarks similar to Infrascopes that provide as broad a coverage of cross-country comparison of countries' enabling frameworks and readiness to conduct PPPs as Infrascopes, based on an Internet search and based on input from the World Bank's PPP Cross-Cutting Solutions Area.

6. **Identification of Interested Sources:** List potential sources, if any that expressed interest in the procurement in writing.

- N.A. based on the above.

7. This justification is accurate and complete to the best of my knowledge and belief.

**Recommended by:**

**Date:** February 3, 2017

8. I have determined that the anticipated cost to the Government will be fair and reasonable. This procurement is authorized by 41 U.S.C. 253 © ( ).

I certify that this justification is complete and accurate to the best of my knowledge and belief.

**Approvals:**

**Approved by:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Approved by:** \_\_\_\_\_

**Date:** \_\_\_\_\_